

VZCZCXYZ0003
PP RUEHWEB

DE RUCNDT #1163/01 3631329
ZNR UUUUU ZZH
P 291329Z DEC 09
FM USMISSION USUN NEW YORK
TO SECSTATE WASHDC PRIORITY 7940

UNCLAS USUN NEW YORK 001163

SIPDIS

E.O. 12958: N/A

TAGS: [AORC](#) [KUNR](#) [PREL](#) [UNGA](#)

SUBJECT: UNGA-C/5: SECRETARY GENERAL ADDRESSES THE FIFTH
COMMITTEE ON THE BUDGET

11. (U) SUMMARY: The UN Secretary General came before the Fifth Committee on December 7th in order to further present his biennium budget, recognizing the need to scrutinize finances in the midst of the global economic crisis, while emphasizing that cuts should target operational costs and not those programs serving the developing world. The SYG also emphasized the importance of prioritizing security needs, promoting technological infrastructure enhancements, the role of the Special Advisor on Africa, and proceeding in a responsible way on the appointment of the Under Secretary for OIOS. The SYG was met with calls by G-77 members to parcel out the Special Political Mission (SPM) budget and avoid slashing development initiatives, while the E.U. emphasized the need to scrutinize costs. Recent formal meetings in the Fifth Committee have considered a host of budgetary and management matters including the war tribunals in Rwanda (ICTR), and in the Former Yugoslavia (ICTY), the Enterprise Research Planning (ERP) Project and three Information and Communications Technology (ICT) projects. The U.S. intervention on ICT/ERP stressed the importance of this matter to the successful implementations of UN operations.
END SUMMARY

SECRETARY GENERAL BAN KI-MOON ADDRESSES THE FIFTH COMMITTEE

12. (U) EFFORTS BEING MADE TO MAINTAIN FISCAL DISCIPLINE: Secretary General Ban Ki-moon addressed the Fifth Committee on December 7th for the purpose of further commenting on his proposed 2010-2011 biennium budget. The SYG pointed out at the outset "how keenly aware we are that our discussions about resources are taking place amid a severe and ongoing financial crisis." He asserted that the budget calls for "only modest increases, based on rigorous scrutiny of priorities." Ban said it is necessary to strike a balance between the regular budget and extra-budgetary resources. He added that voluntary contributions must be consistent with the policies, aims and activities of the UN, and such contributions must not involve additional financial liabilities. The Secretary General claimed that, despite efforts to maintain strict budget discipline, some increases are not under the control of the UN, and pointed to re-costing as one such element. He added that re-costing is necessary in pursuing mandated activities. The SYG spoke in favor of increasing his discretionary authority from \$20 million to \$30 million and advocated that the item become an established procedure. He emphasized that the use of this authorization would only be exercised with prior concurrence by the ACABQ.

13. (U) SECURITY AND TECHNOLOGY ARE GIVEN CLEAR PRIORITIZATION: The SYG underscored the relationship of increasing security needs to rising costs in the budget. He emphasized funds allotted for strengthened security and towards creating a more unified security management system. Ban stated that recent attacks and the security situation in Afghanistan have made it necessary to prioritize emergency needs. Ban focused attention to the UN's technology and infrastructure modernization efforts, noting that that they

"can be the difference between progress and poverty, and even a matter of life and death." He stressed that given the global economic turndown, only top priority projects were included in the budget. Specifically, the SYG mentioned the importance of Enterprise Resource Planning (ERP) and recommended that the "Pilot First" option, with its slightly higher costs, but lower risks, be deployed during the next biennium. He expressed support as well for the Enterprise Content Management (ECM), Customer Relationship Management (CRM), and Disaster Recovery Business Continuity (DCRBC) ICT projects, stating that "deployed together, they will significantly improve the effectiveness and efficiency of our global operations." Ban pointed to the importance of maintaining critical operations in the face of terrorism, disease, disaster, and other incidents, and said much more needs to be done despite the major efforts taken thus far.

14. (U) AFRICA AND DEVELOPMENT: SPECIAL ADVISOR ON AFRICA: The SYG highlighted his appointment of Cheick Diarra to serve both as head of OHRLLS and as the Special Adviser on Africa, as a step that is necessary to build stronger links between the offices and to strengthen the services provided by the Secretariat to countries with special needs. The Secretary General affirmed that funding the development account "remains a challenging process" and argued that "the continuing expansion of mandates given to the Secretariat has limited the level of resources that can be reallocated." Ban affirmed his commitment to improve efficiency in the interest of increasing available funds for development.

15. (U) UPCOMING OIOS APPOINTMENT: Ban raised the matter of the forthcoming appointment of the Under Secretary-General for the Office of Internal Oversight Services, and reminded

that a balance must be maintained between starting the process early and ensuring that precedents and consistency are maintained. He noted that the a call for nominations between four and six months prior to the vacancy will allow the work of the office to be undisrupted, whereas a call nine to twelve months prior might place the incumbent in a sensitive position.

REACTION TO THE SECRETARY GENERAL'S REMARKS MIXED

16. (U) SECURITY, PIECE-MEAL BUDGETING, AND DEVELOPMENT: Sudan (G-77) said that "efforts to constrain the growth to two percent could have a disastrous effect on the ability to maintain programs in the developing world." It called for strengthening development and creating a viable funding mechanism for this purpose. Sweden (E.U.) raised concerns over the piece-meal presentation of the budget. It said that the budget calls for greater spending than that which is affordable given the budgetary and fiscal crisis. The G-77 also does not believe voluntary contributions should be used in an effort to prioritize the interests of individual member states. It called for decisions of the General Assembly to be taken as seriously as those of the Security Council. Mexico emphasized security as a high priority, but qualified that these efforts must be viewed in the complete context of the budget, and deferred if necessary. Egypt also agreed that safety and security should be a priority.

17. (U) CONCERN OVER SPM FUNDING: The G-77 raised a concern that the Special Political Missions are distorting the budget by creating an appearance that most budget items have remained constant, while in reality the increasing SPM portion is crowding out other budgetary priorities. The G-77 pointed out the importance of the timely implementation of all mandates. Egypt proposed that SPM's be considered in a separate account in order "to have a correct assessment of growth of the budget." Several other countries also raised concerns over the SPM's, Syria claiming that they are engaged in similar work as PKO's and thus both budgets should be merged into a single shared portfolio.

¶8. (U) SYG RESPONDS TO COMMENTS: The Secretary General spoke to the G-77 concerns, claiming that the "importance of delivering more to the developing world cannot be over-emphasized." The SYG said the budget does not aim to cut programs that serve those in the developing world, and affirmed that the current budget scrutiny is aimed squarely at reductions in operating costs. On the allegation of piece-meal budgeting, the SYG asserted he had presented the budget in as comprehensive a manner as possible. And on the SPM's, Ban noted there are particular situations that require multiple missions, but ideally it might be best to have only one mission per country for the purpose of stream-lining activities.

FINANCING INTERNATIONAL CRIMINAL TRIBUNALS FOR RWANDA - FORMER YUGOSLAVIA

¶9. (U) BUDGETS PRESENTED AS TRIBUNALS BEGIN WINDING DOWN: The Fifth Committee met in formal session to consider the budgets for the International Criminal Tribunal for Rwanda (ICTR) and the International Criminal Tribunal for the Former Yugoslavia (ICTY). The Secretariat laid out a \$244 million budget for the ICTR. Assistant Secretary-General and Controller, Jun Yamazaki, explained that 25 accused individuals were engaged in ongoing trials, while trials for six other accused have not yet begun. It is suspected that most of the ICTR's work will be complete by 2010, while roughly five cases can be expected to spill into 2011. Efforts are still ongoing to locate 11 fugitives, only three of whose crimes are at a high-enough level to merit consideration by the Tribunal as opposed to national jurisdictions. The budget for the ICTR reflects a 20 percent decrease from the previous budget, with a reduction of authorized staff from 693 to 628. With respect to the International Criminal Tribunal for the Former Yugoslavia (ICTY), Yamazaki outlined the \$301 million budget. The ICTY is set to complete its seven first-instance trials by the end of 2010, but will face challenges from multiple accused persons, and increased appeals. Two fugitives remain at-large and the budget does not account for their trials should they be caught. The proposed ICTY budget is a 20% cut over that of 2008-2009, and includes maintaining only 546 of 732 authorized staff positions. The ACABQ recommended that the proposed budget be adopted.

¶10. (U) U.S. AND OTHER DELEGATIONS EXPRESS SUPPORT WHILE CALLING FOR EFFICIENCY: The U.S. noted its role as a leading political and financial supporter of the ICTY and ICTR and expressed support for efforts to transfer Tribunal activities

to the proposed residual mechanism. It urged members only to provide resources in the 2010-2011 budget to cover current costs. Sweden (E.U.) and Canada (CANZ) both requested that the tribunals complete their mandates as promptly and efficiently as possible and noted that the E.U. "reiterates the need for the Tribunals to ensure that they continue to down-size where possible." Sweden also pointed out the importance of mandatory contributions being paid in full and on time. Angola (African Group) bemoaned the constant high vacancy rates for the ICTR, and encouraged finding ways to retain competent and experienced staff. Angola commended the Rwandan Government for changing the laws to allow cases to be transferred to Rwandan courts, a key component of the completion strategy. It expressed the need for expediency, commenting that "the timely arrest and trails of fugitives remains central to ensuring that the tribunal meets the timeframes which were from the beginning set up by the Security Council." South Africa raised concerns about potential rising costs attached to the trials of any remaining fugitives that might be caught in the future. Russia, evoking the global financial crisis, urged the tribunals to achieve savings in their completion efforts, and suggested that some cases might be considered in parallel.

ICT/ERP: U.S. AND OTHERS SUGGEST WAY FORWARD

¶11. (U) ICT/ERP: The Fifth Committee held a formal meeting to review an update on the implementation of the Enterprise Content Management (ECM) and the customer relationship management (CRM) systems (A/64/477) and to discuss other matters related to Information and Communications Technology (ICT). The Secretariat's report focused on synergies between ECM/CRM with the Enterprise Resource Planning (ERP) project, and presented an approach to disaster recovery and business continuity for Information and Communications Technology (ICT). The committee also had before it the first report on the implementation of the ERP, which suggested that the full implementation of ERP could deliver up to \$224 million in annual capacity improvements and cost recovery.

¶12. (U) UNDERSECRETARY KANE CALLS FOR PHASED ROLL-OUT OF ERP, ACABQ CALLS FOR COST-CUTTING: Under-Secretary for Management, Angela Kane, recommended that the ERP be rolled out in a phased, "Pilot First", manner, as this would entail lower risks and have the least immediate operational impact. Kane said much more needs to be done, including the development of mitigation strategies at the department level and ensuring accountability of duty stations through regular testing of business continuity plans. The ACABQ recommended the acceptance of the Secretary General's ERP proposal, but suggested that efforts be made to reduce the overall costs of the project and for these actions to be carefully documented. The ACABQ also expressed concerns that the benefits of ERP, may not actually suggest a net decrease in posts or savings, but rather a potential to redirect resources towards higher-priority tasks.

¶13. (U) DELEGATIONS SUPPORT ERP, URGING ACCOUNTABILITY AND EFFICIENCY: Sudan (G-77/China) sought additional information on the implementation plans. Sweden (E.U.) stated its support for the ERP, adding that they will look for ways to limit costs. Australia (CANZ) expressed support for the ERP, but hopes to see appropriate benchmarks and justifications for resources, emphasizing the importance of accountability and oversight. The Republic of Korea also supports the ERP, but hopes to see more tangible efficiency gains. ROK stated that the key to ERP includes extensive business process re-engineering and active involvement of stakeholders in all stages of system development. Japan promised to carefully examine the costs and benefits of the ERP and asked for a detailed assessment of efficiency gains. Japan warned that without the active support of all staff and stakeholders, the ERP will turn out to be a waste of money. Switzerland supported the ERP and promised to scrutinize its costs along with other ICT projects and tied the ERP to other improvements including on procurement and cost accounting.

¶14. (U) U.S. AFFIRMS ACABQ'S ENDORSEMENT OF ERP PLAN : Bruce Rashkow delivered the U.S. intervention, raising concern that "despite investments over the years in new technology platforms and software upgrades, the current system is fragmented, reactive and seldom delivers what is promised." The U.S. concurred with the ACABQ's recommendation to approve the Secretary General's "Pilot First" approach to the ERP and urged members to make "every effort to do so as cost effectively as possible." The U.S. stated its position that the ERP will "harmonize business practices and facilitate the organization's compliance with mandated implementation of International Public Sector Accounting Standards (IPSAS)." The U.S. affirmed that a "dependable information management

system" is necessary for full success and sustainability of U.N. operations around the world.

OTHER BUSINESS OF THE FIFTH COMMITTEE

¶15. (U) CONSTRUCTION PROJECTS AT ECONOMIC COMMISSION FOR AFRICA: The Fifth Committee met in formal session to take up the matter of the construction projects at the Economic

Commission for Africa in Addis Ababa and the United Nations Office in Nairobi. A report by the Director of the UN Program Planning and Budget Division noted that the procurement process had been halted in March due to "procurement irregularities," but a new bid review process is currently underway, with the intention of an award being granted in February, 2010. Delays in Addis Ababa was caused by questions pertaining to taxes on imported materials, but it has now been established that the purchase of goods and services will be tax-free. The G-77 criticized both projects for lacking proper accounting and internal controls and called on the Secretary General to closely monitor the progress.

¶16. (U) NEW STAFF RULES REMAIN PROVISIONAL: The Fifth Committee approved a draft resolution, recommending that new staff rules described in a report published by the Secretary General remain provision until the GA has had a chance to further consider its new contractual regime at its 65th session. The G-77 expressed disappointment at having to postpone the issues, but said it had little choice to postpone given the Secretariat's inability to provide answers on the topic. The E.U. also expressed disappointment and concern over the lack of available information.

¶17. (U) CAPITAL MASTER PLAN DRAFT APPROVED: The Fifth Committee approved a draft resolution on the Capital Master Plan, endorsing the ACABQ recommendations that the General Assembly approve the SYG's proposal to appropriate the remaining \$1.87 billion budget approved by Member States in ¶2007. The draft also asks the Secretary-General to absorb costs for data migration. Looking to maintain further reductions, it does not approve the overall associated costs and notes concern that many of the costs did not even relate to the CMP.

¶18. (U) GEORGIA MISSION'S FUNDING REDUCED AS IT COMPLETES: The Fifth Committee recently met to consider the final liquidation budge of the recently-terminated United Nations Observer Mission (UNOMIG). The Committee acted without a vote in deciding to reduce the Mission's initial 2008-2009 appropriation as the mission completes.
RICE